

# NATIONAL CREDIT UNION ADMINISTRATION

Office of Small Credit Union Initiatives  
Community Development Revolving Loan Fund

## General Guidelines for Technical Assistance Grants for Credit Unions

## Building Internal Capacity Initiative -2006

ROUND 1:      Opens: April 14, 2006  
                  Closes: May 19, 2005, 5 p.m. EST  
                  Awards Announced: July 7, 2006

ROUND 2:      Opens: September 15, 2006  
                  Closes: October 20, 2006, 5 p.m. EST  
                  Awards Announced: December 8, 2006

PACKAGE INCLUDES:

1. Application
2. Instructions
3. Guidelines

*Eligible credit unions may apply for up to \$3,500 for each round.*

**Credit unions may apply for funding under both grant rounds. Credit unions that do not receive funds in the first grant round will receive funding preference in the second grant round.**

National Credit Union Administration  
Office of Small Credit Union Initiatives  
Community Development Revolving Loan Fund  
1775 Duke Street  
Alexandria, Virginia 22314

*National Credit Union Administration  
Office of Small Credit Union Initiatives  
Community Development Revolving Loan Fund*

<p>Application Building Internal Capacity Initiative - 2006</p>
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1. CREDIT UNION NAME	
2. MAILING ADDRESS	
MAILING ADDRESS, CON'T	
3. CITY, STATE, ZIP	
4. CONTACT NAME/TITLE	
5. CONTACT PHONE	
6. CREDIT UNION FAX NUMBER	
7. CREDIT UNION EMAIL ADDRESS	
8. CREDIT UNION CHARTER NUMBER	
9. CREDIT UNION EMPLOYER TAX ID NUMBER	
10. CREDIT UNION DUN AND BRADSTREET UNIVERSAL NUMBERING SYSTEM NUMBER	
11. AMOUNT REQUESTED	\$
12. NAME AND TITLE OF AUTHORIZED INDIVIDUAL	
13. SIGNATURE	

\*By signing above, the credit union representative (1) is certifying that the credit union remains low-income designated, as defined in NCUA's Rules and Regulations; and (2) is committing the credit union to working toward the objectives of the CDRLF as described in the grant guidelines and in the application.

Please read all instructions and guidelines thoroughly before completing the application.

Answer the following nine (9) questions and attach separate sheets as necessary for your responses.

1. Describe fully the activity or project that the grant will cover.
2. What is the total cost of implementing the project or undertaking the activity?
3. Provide a list of vendors who will deliver the goods and/or services.
4. Provide an itemized list of costs associated with the project.
5. Attach copies of bids, estimates, prices, and other supporting information.
6. How will the proceeds of the grant improve the operations or the financial condition of the credit union?
7. How will the proceeds of the grant
  - a) improve the quality of financial services to members; or,
  - b) stimulate economic activities in the communities served by the credit union, and result in increased income, ownership, or employment?
8. How will the credit union measure
  - a) improvement in financial services to members; or,
  - b) economic activities in the communities served by the credit unions that have resulted in increased income, ownership, or employment?

9. If your credit union receives this grant from the CDRLF, what financial results do you expect to observe at the credit union? <sup>1</sup> (Note: Annual growth rates should be measured from September 2006 to September 2007.)

	Dollars	Percent
Annual growth in loans?	\$ _____	_____ %
Annual growth in shares?	\$ _____	_____ %
Annual growth in assets?	\$ _____	_____ %
Annual growth in net worth?	\$ _____	_____ %
	Number	Percent
Annual membership growth?	_____	_____ %

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<sup>1</sup> The success of the CDRLF's grant program is measured, in part, by the improvement in the financial condition of the credit unions that participate in the program. The credit union should fill in the table with anticipated growth rates based on receipt of the grant and completion of the project or activity. NCUA's measurement objectives are presented in the General Guidelines for 2006 Technical Assistance Grants, and reproduced here for ease of reference.

Annual growth in loans	<b>10.15%</b>
Annual growth in shares	<b>5.30%</b>
Annual growth in assets	<b>6.05%</b>
Annual growth in net worth	<b>8.50%</b>
Annual membership growth	<b>1.40%</b>

# **General Guidelines for Technical Assistance Grants for Credit Unions**

## **Building Internal Capacity Initiative -2006**

<b>Instructions</b>
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1. Enter the full legal name of the credit union. (EG: Mammoth Employees Federal Credit Union or Middle America Credit Union)
2. Enter the mailing address of the credit union, including suite number, building number, floor, or any additional required address information.
3. Enter the City, State, and ZIP code corresponding to the mailing address of the credit union.
4. Enter the name and title of the individual to whom questions regarding this grant application should be addressed.
5. Enter the telephone number of the contact person listed in item 4. above.
6. Enter the fax number of the credit union, if none, enter “none.”
7. Enter the credit union’s email address (format should be [credit.union@ncua.gov](mailto:credit.union@ncua.gov)), if none, enter “none.”
8. Enter the credit union’s charter number.
9. Enter the credit union’s 9 digit employer tax ID number.
10. Enter the credit union’s 9 digit Dun and Bradstreet Universal Numbering System (DUNS) Number. Dun and Bradstreet Universal Numbering System (DUNS) numbers may be obtained by calling Dun and Bradstreet, toll-free, at 1-866-705-5711.
11. Enter the dollar amount of the grant amount that the credit union is requesting.
12. Type or print the name and title of the individual who is authorized to sign on behalf of the credit union.
13. The individual named in question 12. above must sign the front page of this application.

Questions regarding this application can be directed to the Office of Small Credit Union Initiatives at

National Credit Union Administration  
Office of Small Credit Union Initiatives  
1775 Duke Street  
Alexandria, VA 22314

(703) 518-6610—phone  
(703) 519-4088—facsimile  
oscuiapps@ncua.gov—email

## Guidelines

### What is the Purpose of the Community Development Revolving Loan Fund?

The National Credit Union Administration's (NCUA's) Community Development Revolving Loan Fund (CDRLF) was established by Congress to support credit unions that serve low-income communities by making loans and TAGs available to qualifying institutions. Low-interest loans/deposits are made available to low-income designated credit unions to enhance their financial capacity to, in turn, extend financial services to their members.

Congress appropriates funds to the CDRLF for loans and grants. The interest earned on loans is also available as a source of additional funds retained by the program for grant purposes.

### What is the objective of Technical Assistance Grants?

The objective, or desired outcome, of technical assistance grants is to:

- Improve the quality of financial services to members;
- Make the operations of low-income credit unions more efficient; and, ultimately
- Stimulate economic activities in the communities served by the credit unions.

By applying for technical assistance grant funds, the credit union is committing to working toward the purpose of the CDRLF and the objective of a technical assistance grant.

### Which credit unions are eligible to apply?

To participate in the Program, a federally chartered credit union must be currently designated as a "low-income" credit union as set forth in NCUA's Rules and Regulations, Section 701.34. A state chartered credit union must have the equivalent low-income designation from its respective state supervisory authority (SSA) and concurrence from NCUA.

In addition, based on an Office of Management and Budget (OMB) policy directive effective October 31, 2003, credit unions must have a Dun and Bradstreet Universal Numbering System (DUNS) number in order to be eligible to receive grant or loan funding from the CDRLF. As of this printing, a DUNS number may be obtained by calling Dun and Bradstreet, toll-free, at 1-866-705-5711.

## How does the grant payment process work?

Credit unions must apply for and be approved for a grant before making any expenditures.

After receiving a grant award letter, the credit union may purchase the goods or spend the funds, up to the amount approved.

The credit union must then submit copies of receipts and evidence of payment to NCUA for reimbursement.

All requests for reimbursement must be received before the end of the commitment period listed in the grant award letter.

## What is the Building Internal Capacity Initiative?

This initiative is designed to provide funds for projects that improve the overall operations or financial condition of the credit union, and ultimately enable the credit union to better deliver services to its members.

Grants awarded under this initiative might include, but are not limited to, the following:

- Enhancing or improving technologies;
- Developing strategic, business, and succession plans;
- Preparing emergency and business resumption strategies;
- Enhancing facilities;
- Creating office efficiencies;
- Addressing items of supervisory concern; and,
- Developing policies.

## How much money is available?

For 2006, NCUA has allocated \$150,000 for the first round of the Building Internal Capacity Initiative and \$150,000 for the second round. Eligible credit unions may request up to \$3,500 in each round.

Credit unions may apply for funding under both grant rounds. Credit unions that do not receive funds in the first grant round will receive funding preference in the second grant round.

## What are allowable uses of grant funds?

Grant funds may be used to pay the following costs associated with a project. This list is not exhaustive, but is intended to be representative of costs which may be approved.

- Equipment installation
- Equipment purchase
- Equipment rental
- Hardware
- Installation costs
- Legal opinion costs
- Marketing and advertising
- Mileage (not to exceed the 2006 IRS standard mileage rate of 44.5 cents per mile)
- Parking
- Policy/procedure development costs
- Printing and reproduction costs
- Professional fees
- Programming costs
- Public transportation, including airfare
- Software
- Workstation upgrades

All approved costs will be detailed in the grant award letter to the credit union.

## What are the application deadlines?

Round 1 opens on April 14, 2006 and closes at 5 p.m. eastern time on May 19, 2006.

Round 2 opens on September 15, 2006 and closes at 5 p.m. eastern time on October 20, 2006.

## What is the method for evaluating the grant applications?

Grant applications will be evaluated at the end of the application acceptance period, based on financial and non-financial factors as listed below.

Financial factors include the following:

- CAMEL Rating
- Net Worth Ratio
- Delinquency Ratio
- Return on Assets Ratio.

Financial factors are used to determine the financial condition of the credit union and its likelihood of continued successful operations.



Non-Financial factors include the following:

Assessment of Management is a determination of whether management has been responsive to examiners and whether management has the ability to carry out the project described in the grant application.

Purpose is a determination of whether the outcome of the project, as described in the grant application, coincides with the purpose of the CDRLF as described in Section 705.2 of the NCUA's Rules and Regulations. That purpose would be: (1) providing basic financial and related services to residents in their communities; and (2) stimulating economic activities in the communities they serve which will result in increased income, ownership and employment opportunities for low-income residents, and other community growth efforts.

Assessment of Impact is a determination of the scope and reach of the proposed use of the grant funds. Grant applications which indicate that grant funds will have an impact on credit union members and the community as whole will receive priority consideration.

Previous Funding is a determination of whether the credit union has received previous CDRLF grant funding. Credit unions which have NOT received funding in the past will receive priority consideration.

Ability to Self-Fund is an assessment of the credit union's net worth, cash, and liquidity to determine whether the credit union has the ability to fund the project on its own. Priority consideration is given to those credit unions which cannot completely fund the project described in the grant application without an adverse effect on the credit union's financial condition.

Partnerships is a determination of whether the credit union has developed other partner relationships and has considered other sources of grant funds.

## What information needs to be submitted with the grant application?

Credit unions must submit a completed Technical Assistance Grant Application.

## Where should completed applications be submitted?

Applications may be faxed to: (703) 519-4088

Applications may be emailed to: [oscuiapps@ncua.gov](mailto:oscuiapps@ncua.gov)

Credit unions that are unable to fax or email applications should telephone the Office at (703) 518-6610.

## When will credit unions know about grant awards?

OSCUI will notify credit union applicants of the Round 1 grant awards by July 7, 2006.

OSCUI will notify credit union applicants of the Round 2 grant awards by December 8, 2006.

## What is the reporting requirement after receiving a grant?

Credit unions receiving awards must provide to OSCUI a summary of the impact of the grant funding on the credit union's operations. The summary should discuss the overall project and how the funding enabled the credit union to accomplish its objective. Credit unions must specify the impact that grant funds have had on the credit union's delivery of service and the consequences upon the community the credit union serves.

The time frame for submitting the summary is generally 6 months after receiving the grant, and will be restated in the award letter. The submission deadline is established to allow reasonable time for the credit union to ascertain the benefits of the grant.

Summaries may be faxed to: 703-519-4088

Summaries may be emailed to: [oscuiapps@ncua.gov](mailto:oscuiapps@ncua.gov)

## Is there anything that would cause an application to be immediately denied?

Yes.

1. Grants from the CDRLF are reimbursable grants. Credit unions applying for TAGs must obtain approval of the proposed expenditures before making those expenditures. Therefore, the OSCUI will not fund any grant where the credit union has committed to, procured, or purchased the good or service in advance of grant approval.

2. TAG funds are generally not provided for recurring operational expenses such as salaries, rent, office occupancy or office supplies.

3. TAG funds may not be used to reimburse NCUA for any activity.

## How can credit unions contact the office with questions?

Credit unions can contact the office at

Office of Small Credit Union Initiatives  
National Credit Union Administration  
1775 Duke Street  
Alexandria, Virginia 22314

Phone: (703) 518-6610  
Fax: (703) 519-4088  
Email: [oscuiapps@ncua.gov](mailto:oscuiapps@ncua.gov)